**Department of Agriculture**

**Identification of Federal Financial Assistance Infrastructure Programs Subject to the Build America, Buy American Provisions of the Infrastructure Investment and Jobs Act Report**

On November 15, 2021, the Office of Management and Budget (OMB) issued a data all to assist agencies in identifying infrastructure programs. The data call indicated there are a total of 22 Assistance Listings are subject to the [Infrastructure Investment and Jobs Act](https://www.congress.gov/bill/117th-congress/house-bill/3684/text) (IIJA) at the Department of Agriculture. The following agencies responded to this data call. This document contains their agency Identification of Federal Financial Assistance Infrastructure Programs Subject to the Build America, Buy American Provisions of the Infrastructure Investment and Jobs Act Report.

* Agricultural Marketing Service;
* Food and Nutrition Service;
* National Institute of Food and Agriculture;
* Natural Resources Conservation Service;
* Rural Business Cooperative Service; and
* Rural Utilities Service.

This report reflects the Department of Agriculture’s initial analysis of programs and associated Buy America requirements. This initial analysis errs on the side of over-inclusiveness, based on the agency’s current understanding of information contained in the law and the imminent timing requirements for reporting. After the OMB releases implementation guidance subject to section 70915 of the Infrastructure Investment and Jobs Act, Department of Agriculture will work closely with OMB to ensure that appropriate agency programs that are subject to Build America, Buy America requirements are administered with those requirements in place and will adhere to forthcoming OMB guidance. This initial analysis is subject to change upon further evaluation.

As required by the IIJA, this report:

1) identifies all domestic content procurement preferences applicable to the Federal financial assistance;

2) assesses the applicability of the domestic content procurement preference requirements,

including: (A) section 313 of title 23, United States Code; (B) section 5323(j) of title 49, United States Code; (C) section 22905(a) of title 49, United States Code; (D) section 50101 of title 49, United States Code; (E) section 603 of the Federal Water Pollution Control Act (33 U.S.C. 1388); (F) section 1452(a)(4) of the Safe Drinking Water Act (42 U.S.C. 300j–12(a)(4)); (G) section 5035 of the Water Infrastructure Finance and Innovation Act of 2014 (33 U.S.C. 3 3914); (H) any domestic content procurement preference included in an appropriations Act; and (I) any other domestic content procurement preference in Federal law (including regulations);

3) provides details on any applicable domestic content procurement preference requirement, including the purpose, scope, applicability, and any exceptions and waivers issued under the requirement; and

4) includes a description of the type of infrastructure projects that receive funding under the program, including information relating to: (A) the number of entities that are participating in the program; (B) the amount of Federal funds that are made available for the program for each fiscal year; and (C) any other information the head of the Federal agency determines to be relevant.

**Agricultural Marketing Service**

**List of Infrastructure Programs:**

**10.180 – Meat and Poultry Interstate Shipment and Inspection Readiness Program**

1. **Domestic Content Preferences:**
* N/A
1. **Listing of domestic content procurement preference requirements:**
* Project Grants
1. **Applicable domestic content procurement preference:**
* Improvements and plan other activities necessary to help meat and poultry processing facilities to obtain a Federal Grant of Inspection under the Federal Meat Inspection Act (FMIA) (21 U.S.C. 601 et seq.) or the Poultry Products Inspection Act (PPIA) (21 U.S.C. 451 et seq.); or to operate as a State-inspected facility that is compliant with the FMIA or PPIA under the respective Cooperative Interstate Shipment (CIS) program.
1. **Project Descriptions:**
* Description of the type of infrastructure projects that received funding: A facility selected for this grant may use funds to make improvements to the facility and to carry out other planning activities, necessary for obtaining a Federal Grant of Inspection or becoming eligible for inspection under the CIS Program.
* Number of entities participating in the program: 167
* Amount of Federal funds made available for the program: $32,933,841.17 for FY 2021

**Food and Nutrition Service**

**List of Infrastructure Programs:**

**10.567** Food and Nutrition Act of 2008 (7 U.S.C 2011-2036). The CARES Act funding associated with these one-time grant award projects under the Food Distribution Program on Indian Reservations was aimed at preventing, preparing for, and responding to coronavirus challenges. FNS does not anticipate additional or continued funding for these grants in the future.

**(1) Domestic Content Preferences:**

* The terms and conditions of these grant projects contain requirements for the grantee to comply with 2 CFR 200, which includes the domestic content preferences found at 2 CFR 200.322, Domestic Preferences.

**(2) Listing of domestic content procurement preference requirements:**

* The terms and conditions of this award require that recipients comply with the domestic content preferences found in 2 CFR.

**(3) Applicable domestic content procurement preference:**

* The domestic content procurement preference requirement is applicable to this program because it allows for the grantee to renovate facilities. FNS has not granted any exceptions or waivers to this requirement.

**(4) Project Descriptions:**

* Types of Infrastructure Projects Funded:
	+ Some minimal building renovations and equipment for ITOS based on one time discretionary funding relating to the CARES Act for the pandemic.
* Recipient numbers are as follows:
	+ FY20 awards = 96 \* a limited number of FY 21 awards = 15 were made = due to carryover resource.
* Funding provided is as follows:

FY 20 awards = $46,107,416; FY 21 - $2,828,074

**National Institute of Food and Agriculture**

**List of Infrastructure Programs:**

**10.203 The Hatch Act of 1887 (Regular Research Fund).**

*The Hatch Act of 1887, Section 361, 7 U.S.C. 1998*

**(1) Domestic Content Preferences:**

* This program does have domestic content preferences. (Buy American Act)

**(2) Listing of domestic content procurement preference requirements:**

* This program does have domestic content procurement preference requirements. The terms and conditions of this award require that recipients comply with the Buy American Act.

**(3) Applicable domestic content procurement preference:**

* The domestic content procurement preference requirement is applicable to this program because it allows for the grantee to construct facilities. NIFA has not granted any exceptions or waivers to this requirement.

**(4) Project Descriptions:**

* Types of Infrastructure Projects Funded:
	+ Buildings and real property
* Recipient numbers are as follows:
	+ FY19 = 59 | FY20 = 59 | FY21 = 59
* Funding provided is as follows:
	+ FY19 = $183,367,803 | FY20 = $183,367,802 | FY21 = $183,367,802

**Other information the head of the Federal agency determines to be relevant:**

In this program, USDA provides funding for agricultural research activities to 59 institutions, which can include the construction of facilities. While buildings and real property, namely educational facilities, are eligible uses of funds, awards generally support activities and services such as research and education.

**10.512 The Agricultural Research at 1890 Land Grant Institutions Section 1445 (Capacity Funding)**

*National Agricultural Research, Extension and Teaching Policy Act of 1977, Section 1445, 7 U.S.C. 3222*

**(1) Domestic Content Preferences:**

* This program does have domestic content preferences. (Buy American Act)

**(2) Listing of domestic content procurement preference requirements:**

* This program does have domestic content procurement preference requirements. The terms and conditions of this award require that recipients comply with the Buy American Act.

**(3) Applicable domestic content procurement preference:**

* The domestic content procurement preference requirement is applicable to this program because it allows for the grantee to construct facilities. NIFA has not granted any exceptions or waivers to this requirement.

**(4) Project Descriptions:**

* Types of Infrastructure Projects Funded:
	+ Buildings and real property
* Recipient numbers are as follows:
	+ FY19 = 19 | FY20 = 19 | FY21 = 19
* Funding provided is as follows:
	+ FY19 = $54,459,680 | FY20 = $54,720,000| FY21 = $68,544,080

**Other information the head of the Federal agency determines to be relevant:**

In this program, USDA provides funding to 1890’s Land Grant Universities to support agricultural research activities, including the construction of facilities. While buildings and real property, namely educational facilities, are eligible uses of funds, awards can also support activities and services such as workforce development.

**10.513 (previously reported under 10.500) 1890 Facilities Grants Program**

*National Agricultural Research, Extension, and Teaching Policy Act of 1977, Section 1447, 7 U.S.C. 3222b*

**(1) Domestic Content Preferences:**

* This program does have domestic content preferences. (Buy American Act)

**(2) Listing of domestic content procurement preference requirements:**

* This program does have domestic content procurement preference requirements. The terms and conditions of this award require that recipients comply with the Buy American Act.

**(3) Applicable domestic content procurement preference:**

* The domestic content procurement preference requirement is applicable to this program because it allows for the grantee to construct facilities. NIFA has not granted any exceptions or waivers to this requirement.

**(4) Project Descriptions:**

* Types of Infrastructure Projects Funded:
	+ Buildings and real property
* Recipient numbers are as follows:
	+ FY19 = 19 | FY20 = 19 | FY21 = 19
* Funding provided is as follows:
	+ FY19 = $18,934,255 | FY20 = $18,940,800 | FY21 = $19,679,996

**Other information the head of the Federal agency determines to be relevant:**

In this program, USDA provides funding to 1890’s Land Grant Universities to support agricultural research activities, including the construction of facilities. While buildings and real property, namely educational facilities, are eligible uses of funds, awards can also support activities and services such as workforce development.

**Natural Resources Conservation Service**

**List of Infrastructure Programs:**

**10.904 Watershed Protection and Flood Prevention Act – Watershed Operations**

**(1) Domestic Content Preferences:**

Recipients of awards under covered programs (as defined in Executive Order 13858, January 31, 2019) are encouraged to use, to the greatest extent practicable, iron and aluminum as well as steel, cement, and other manufactured products produced in the United States in every contract, subcontract, purchase order, or subaward that is chargeable under the award. “Covered program” means a program that provides financial assistance for the alteration, construction, conversion, demolition, extension, improvement, maintenance, construction, rehabilitation, or repair of an infrastructure project in the United States. However, it does not include programs for which a domestic preference is inconsistent with law or programs providing financial assistance that are subject to comparable domestic preferences.

**(2) Listing of domestic content procurement preference requirements:**

Refer to number (1) one. There is no awareness of language in the appropriation act(s) that would report the procurement preference(s).

**(3) Applicable domestic content procurement preference:**

Refer to number (1). There is no awareness of language in the appropriation act(s) that would report the procurement preference(s).

**(4) Project Descriptions:**

These funds have not been received by the Agency, therefore, there has not been any allocations made.

**10.916 Watershed Protection and Flood Prevention Act - Rehabilitation**

**(1) Domestic Content Preferences:**

Recipients of awards under covered programs (as defined in Executive Order 13858, January 31, 2019) are encouraged to use, to the greatest extent practicable, iron and aluminum as well as steel, cement, and other manufactured products produced in the United States in every contract, subcontract, purchase order, or subaward that is chargeable under the award. “Covered program” means a program that provides financial assistance for the alteration, construction, conversion, demolition, extension, improvement, maintenance, construction, rehabilitation, or repair of an infrastructure project in the United States. However, it does not include programs for which a domestic preference is inconsistent with law or programs providing financial assistance that are subject to comparable domestic preferences.

**(2) Listing of domestic content procurement preference requirements:**

Refer to number (1) one in this memo. There is no awareness of language in the appropriation act(s) that would report the procurement preference(s).

**(3) Applicable domestic content procurement preference:**

Refer to number (1) one in this memo. There is no awareness of language in the appropriation act(s) that would report the procurement preference(s).

**(4) Project Descriptions:**

These funds have not been received by the Agency, therefore, there has not been any allocations made.

**10.923 Emergency Watershed Protection Program and 10.927 Disaster Relief Act**

**(1) Domestic Content Preferences:**

Recipients of awards under covered programs (as defined in Executive Order 13858, January 31, 2019) are encouraged to use, to the greatest extent practicable, iron and aluminum as well as steel, cement, and other manufactured products produced in the United States in every contract, subcontract, purchase order, or subaward that is chargeable under the award. “Covered program” means a program that provides financial assistance for the alteration, construction, conversion, demolition, extension, improvement, maintenance, construction, rehabilitation, or repair of an infrastructure project in the United States. However, it does not include programs for which a domestic preference is inconsistent with law or programs providing financial assistance that are subject to comparable domestic preferences.

**(2) Listing of domestic content procurement preference requirements:**

Refer to number (1) one in this memo. There is no awareness of language in the appropriation act(s) that would report the procurement preference(s).

**(3) Applicable domestic content procurement preference:**

Refer to number (1) one in this memo. There is no awareness of language in the appropriation act(s) that would report the procurement preference(s).

**(4) Project Descriptions:**

These funds have not been received by the Agency, therefore, there has not been any allocations made.

**Rural Business Cooperative Service**

**List of Infrastructure Programs:**

**10.767 Intermediary Relending Program**

*Health & Human Services Act of 1986, Section 407, 7 U.S.C. 1932*

**(1) Domestic Content Preferences:**

* This program does not have domestic content preferences

**(2) Listing of domestic content procurement preference requirements:**

* This program does not have domestic content procurement preference requirements

**(3) Applicable domestic content procurement preference:**

* This program does not have applicable domestic content procurement preference or any related exceptions and waivers

**(4) Project Descriptions:**

* Types of Infrastructure Projects Funded:
	+ Buildings and real property
	+ Utilities
* Recipient numbers are as follows:
	+ FY19 = 24 | FY20 = 27 | FY21 = 17
* Funding provided is as follows:
	+ FY19 = Not Listed | FY20 = $5,219,000 | FY21 = $2,939,000

**Other information the head of the Federal agency determines to be relevant:**

In this program, USDA makes loans to intermediaries that use the award to extend loan capital to ultimate recipients. USDA does not select the types of projects supported by the program, but instead makes an award to the intermediary. Additionally, the eligible uses of funds by ultimate recipients are very broad, including but not limited to buildings and real property. Though utility development may be supported through the program, it is not a common use of loan funds by ultimate recipients.

**10.874 Delta Health Care Service Grant Program**

*Anticultural Act of 2014*

**(1) Domestic Content Preferences:**

* This program does not have domestic content preferences

**(2) Listing of domestic content procurement preference requirements:**

* This program does not have domestic content procurement preference requirements

**(3) Applicable domestic content procurement preference:**

* This program does not have applicable domestic content procurement preference or any related exceptions and waivers

**(4) Project Descriptions:**

* Types of Infrastructure Projects Funded:
	+ Buildings and real property
* Recipient numbers are as follows:
	+ FY19 = 6 | FY20 = 8 | FY21 = 5
* Funding provided is as follows:
	+ FY19 = Not Listed | FY20 = $3,000,000 | FY21 = $3,000,000

**Other information the head of the Federal agency determines to be relevant:**

In this program, USDA makes loans to consortiums to promote health care services. The eligible uses of funds by ultimate recipients are very broad. While buildings and real property, namely health care facilities, are eligible uses of funds, awards are usually used to support activities and services such as workforce development.

**Rural Utilities Service, Water and Environmental Programs**

**List of Infrastructure Programs:**

10.760 Water and Waste Disposal Systems for Rural Communities

10.763 Emergency Community Water Assistance Grants

10.770 Water and Waste Disposal Loans and Grants (Section 306C)

10.864 Grant Program to Establish a Fund for Financing Water and Wastewater Projects

**(1) Domestic Content Preferences:**

* American Iron and Steel (AIS) – All items made primarily of iron or steel used on Water and Environmental Program (WEP) projects must be produced in the United States.
* Note: Buy American requirements apply to the Electric and Telecom Programs.

**(2) Listing of domestic content procurement preference requirements:**

• Any domestic content procurement preference included in an appropriations Act; and

The Consolidated Appropriations Acts of 2017, 2018, 2019, 2020 and 2021 have all included the following language: No Federal funds made available for this fiscal year for the rural water, waste water, waste disposal, and solid waste management programs authorized by sections 306, 306A, 306C, 306D, 306E, and 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926 et seq.) shall be used for a project for the construction, alteration, maintenance, or repair of a public water or wastewater system unless all of the iron and steel products used in the project are produced in the United States.

• Any other domestic content procurement preference in Federal law (including regulations)

2 CFR 200.322 Domestic preferences for procurements.

2 CFR 200.216 Prohibition on certain telecommunications and video surveillance services or equipment

**(3) Applicable domestic content procurement preference:**

**Purpose**: To support domestic manufacturers of iron and steel products.

**Scope**: All water and wastewater construction projects funded by the above-listed programs.

**Applicability**: Applies to all products that are primarily iron and/or steel (greater than 50% iron/steel by materials cost), permanently installed on the project. All manufacturing processes from initial melting to final assembly (except for internal coatings) must be performed in the US.

**Exceptions and Waivers**: Mechanical and electrical equipment are excepted. A national de minimis waiver allows for incidental iron/steel items up to 5% of total project materials cost (no more than 1% for an individual item) to be non-domestic. A minor components waiver allows for up to 5% non-domestic iron/steel parts within an otherwise compliant iron/steel product. There is also a waiver allowing non-domestic pig iron and direct reduced iron to be used to produce the iron or steel.

**(4) Project Descriptions:**

**Project Type-** The programs included that are funded by the Water and Environmental Programs (WEP) relate to the awarding of monies to eligible entities to benefit clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage systems to support households and businesses in rural America. Regardless of the program, the focus of funding is on the smallest, most financially needy communities, and those experiencing health and sanitary issues. For more information related to the identified WEP programs, please see the following:

* Section 306- The accounts funded under Section 306 provide funding for the development or improvement of public drinking water, sewage disposal, solid waste disposal, and storm water drainage systems. Direct Loans, and Grants are awarded to public bodies, non-profits, and federally-recognized Tribes directly for construction benefiting communities of 10,000 residents or less. Guaranteed loans are made to communities of 50,000 residents or less. Some of the monies are appropriated to benefit projects certain geographic areas, including Persistent Poverty counties or that have an element of Strategic Economic and Community Development.
* Section 306A- This program helps eligible communities of 10,000 residents or less prepare, or recover from, an emergency that threatens the availability of safe, reliable drinking water. Natural events, such as drought, floods, hurricanes, tornados, as well as man-made events like PFAS contamination are eligible. Grants are made to systems operated by public bodies, non-profit organizations, and federally-recognized Tribes to complete construction.
* Section 306C- The accounts funded under Section 306C provide grants to benefit low-income communities, which face significant health risks, access to safe, reliable drinking water and waste disposal facilities and services. The focus of the funding accounts is related to water and waste disposal construction projects benefiting Colonia areas and Tribal members.
* Section 306E- This program provides grants to qualified nonprofits and tribes to create a revolving loan fund and award sub-grants to increase access to clean, reliable water and septic systems for households in eligible rural areas. Sub-awards may benefit homeowners located in communities of 50,000 residents or less.

• the number of entities that are participating in the program;

|  |  |  |  |
| --- | --- | --- | --- |
|  | FY 2019 | FY 2020 | FY 2021 |
| Section 306 | 922 | 1,039 | 883 |
| Section 306A | 51 | 42 | 36 |
| Section 306C | 34 | 21 | 22 |
| Section 306E | 7 | 5 | 9 |

• the amount of Federal funds that are made available for the program for each fiscal year; and;

| ($ in millions) | FY 2019 | FY 2020 | FY 2021 |
| --- | --- | --- | --- |
| Section 306 | $ 1,633,887  | $ 1,937,337  | $ 2,015,589  |
| Section 306A |  $ 13,734  |  $ 14,168  |  $ 14,198  |
| Section 306C |  $ 55,300 |  $ 53,159  |  $ 51,952  |
| Section 306E |  $ 1,166 |  $ 1,991 |  $ 4,858 |

• any other information the head of the Federal agency determines to be relevant.

WEP receives its monies through “no year” provisions, which results in some carryover and recoveries that increase the amount of available funding above the level of appropriations. Additionally, there was more than $419 million in leveraged monies during FY21 through other federal, state, and local agencies, as well as private funding sources. This leveraging has helped to combat increasing project costs, which would otherwise reduce the footprint of the appropriated monies.

**Rural Utilities Service (Electric Program), Rural Development**

**List of Infrastructure Programs:**

**10.850 Rural Electrification Loans, Rural Electrification Act 7 U.S.C. 901 et seq.,**

**10.858 Denali Commission Grants, Rural Electrification Act 7 U.S.C. 918a.,**

**10.859 High Energy Cost Grants, Rural Electrification Act 7 U.S.C. 918a.**

**(1) Domestic Content Preferences:**

* The “Buy American” provision of the Rural Electrification Act of 1936 (RE Act) requires, to the extent practicable and the cost of which is not unreasonable, that RUS awardees use RUS funds only for such manufactured articles, materials, and supplies as have been manufactured in the United States or in any eligible country, substantially all from articles, materials, or supplies mined, produced or manufactured, as the case may be, in the United States or any eligible country.

**(2) Listing of domestic content procurement preference requirements:**

* RUS electric loan borrowers and grant awardees must comply with the RUS “Buy American” requirement. The requirement is codified in the Rural Electrification Act of 1936, its sequels, and in 7 CFR 1726.15 – “Buy American”. The borrower must ensure that all materials and equipment financed with loans made or guaranteed by RUS complies with the “Buy American” provisions of the Rural Electrification Act of 1938 ([7 U.S.C. 903](https://www.govinfo.gov/link/uscode/7/903) note), as amended by the North American Free Trade Agreement Implementation Act (107 Stat 2129). When a “Buy American” certificate is required by this part, this must be on RUS Form 213.

Upon completion of the project, awardee must obtain certification from architect or engineer that the project and all required documentation are satisfactory and complete including the RUS Form 213 Certificate (Buy American), the responsible licensed engineer or architect, respectively, must submit a Form 213 certifying that all the materials and products contained in the project conform. All borrowers must obtain a certificate RUS Form 213 from all vendors as part of the RUS contract closeout and retain in their files.

Electric Program borrowers have been complying with statutory Buy American-like requirements specifically established under the Rural Electrification Act since the 1940s.   The agency is the only federal program that applies Buy American preferences to a loan program.

**(3) Applicable domestic content procurement preference:**

The domestic content preference is intended to maintain and promote US industrial capability, improve domestic economic security, provide improved conditions for workers and to minimize negative environmental impacts. The RUS Buy American requirements set under 7 CFR 1787 are applicable to any material or product used in all projects funded by RUS. Waivers to the requirement may be granted under specific circumstances.

Three general bases for granting waivers are presented in 7 CFR 1787.10–1787.14. They are (1) cost differential, (2) shortages or non-availability of domestic product, and (3) the public interest or impracticality. Due to the cumulative effect of interest on the long-term loans advanced to RUS borrowers, the price penalty threshold for domestic goods must only exceed 6 % to justify a waiver to allow the purchase of non-domestic materials and products. If the materials necessary for a funded project are not available in the necessary quantity or quality, or if delays would compromise a project, a waiver allowing a non-domestic purchase may be granted. Incompatibility with capital infrastructure already in use by the applicant and demonstrated impracticality qualify for consideration for a waiver of the domestic product purchasing requirement. The RUS Administrator may consider public interest as justification for granting a waiver. General waivers may be issued for a *determinate* period by the Administrator for regional or national shortages to minimize an administrative burden. (See 7 CFR 1787.14(b).)

**(4) Project Descriptions:**

Under 7 CFR 1787, the RUS restricts the purchase of non-domestic materials and products.

A wide range of materials and products are funded by the electric programs of the RUS. Broadly, funded purchases would include electric infrastructure equipment to include distribution, transmission, and generation equipment and facilities. Supporting and protective structures, including office headquarters are also funded.

Examples of electric products funded by RUS programs include copper, aluminum and steel cabling, wood and fiberglass poles and crossarms, steel and spun concrete poles, electrical transformers, capacitor banks, regulators, meters, protection equipment (relays, circuit breakers, fuses, etc.) and electrical and electronic support equipment.

Distribution and transmission lines projects may require buried, surface-mounted or pole-mounted wire, protection enclosures and structures. Poles and pole hardware may be required for new aerial construction. Quantities of single- and multi-conductor copper and single- and multi-fiber cable (for broadband installations) are generally required. Terminating, insulators, and protective equipment is required under RUS technical guidelines. Buildings and shelters constructed to house electrical equipment require standard domestically sourced construction materials. Building construction materials must also conform to the Buy American requirement. All materials and products are covered under 7 CFR 1787.

In sum, all RUS Electric Program borrowers and grantees are subject to Buy American and domestic preference.   As such, below is the data requested for the total financing and number of borrowers/grantees for each FY for the RUS Electric Program, which has also been input into the attached updated spreadsheet for Assistance Listing Numbers 10.850, 10.858 and 10.859:

|  |  |  |
| --- | --- | --- |
|  | **No. of Loans/Grants** | **$000** |
| **FY2019** |  |  |
| Rural Electrification Loans | 112 | 5,780,330 |
| Denali Grants | 1 | 3,000 |
| High Energy Cost Grants | 5 | 8,668 |
| **FY2020** |  |  |
| Rural Electrification Loans | 125 | 6,344,471 |
| Denali Grants | 2 | 3,473 |
| High Energy Cost Grants | 8 | 8,181 |
| **FY2021** |  |  |
| Rural Electrification Loans | 94 | 5,193,859 |
| Denali Grants | 1 | 1,025 |
| High Energy Cost Grants | 2 | 1,939 |

**Rural Utility Service, Telecom, Rural Development**

**List of Infrastructure Programs:**

**10.752 Rural eConnectivity Program**

**10.851 Telecommunications Infrastructure Loan Program**

**10.855 Distance Learning and Telemedicine Program**

**10.863 Community Connect Grant Program**

**10.886 Rural Broadband Loans, Loan/Grant Combinations, and Loan Guarantees**

**(1) Domestic Content Preferences:**

The “Buy American” provision of the Rural Electrification Act of 1936 (RE Act) requires, to the extent practicable and the cost of which is not unreasonable, that RUS awardees use RUS funds only for such manufactured articles, materials, and supplies as have been manufactured in the United States or in any eligible country, substantially all from articles, materials, or supplies mined, produced or manufactured, as the case may be, in the United States or any eligible country.

**(2) Listing of domestic content procurement preference requirements:**

RUS awardee must comply with the RUS “Buy American” requirement. The requirement is codified in the Rural Electrification Act of 1936, its sequels, and in 7 CFR 1787 – Buy American Requirement. The specific “Buy American” compliance requirement of all materials and products used in RUS-funded telecommunications projects is set forth in 7 CFR 1753.6(d). Compliance is documented by submission of RUS Form 213, Certificate (Buy American), as required in the contract close out procedures outlined in the 7 CFR 1753 – Telecommunications System Construction Policies and Procedures.

Upon completion of the project, awardee must obtain certification from architect or engineer that the project and all required documentation are satisfactory and complete including the RUS Form 213 Certificate (Buy American), the responsible licensed engineer or architect, respectively, must submit a Form 213 certifying that all the materials and products contained in the project conform. All vendors of central office and special equipment must submit a certificate RUS Form 213 as part of the RUS contract closeout. Form 213 must be filed at the closeout of construction for materials supplied by outside plant contractors. When outside plant construction is carried out by an awardee’s own force, a Form 213 from each supplier of materials utilized in the build-out must be submitted by the awardee at closeout.

**(3) Applicable domestic content procurement preference:**

The domestic content preference is intended to maintain and promote US industrial capability, improve domestic economic security, provide improved conditions for workers and to minimize negative environmental impacts. The RUS Buy American requirements set under 7 CFR 1787 are applicable to any material or product used in all projects funded by RUS. Waivers to the requirement may be granted under specific circumstances.

Three general bases for granting waivers are presented in 7 CFR 1787.10–1787.14. They are (1) cost differential, (2) shortages or non-availability of domestic product, and (3) the public interest or impracticality. Due to the cumulative effect of interest on the long-term loans advanced to RUS borrowers, the price penalty threshold for domestic goods must only exceed 6 % to justify a waiver to allow the purchase of non-domestic materials and products. If the materials necessary for a funded project are not available in the necessary quantity or quality, or if delays would compromise a project, a waiver allowing a non-domestic purchase may be granted. Incompatibility with capital infrastructure already in use by the applicant and demonstrated impracticality qualify for consideration for a waiver of the domestic product purchasing requirement. The RUS Administrator may consider public interest as justification for granting a waiver. General waivers may be issued for a *determinate* period by the Administrator for regional or national shortages to minimize an administrative burden. (See 7 CFR 1787.14(b).)

**(4) Project Descriptions:**

Under 7 CFR 1787, the RUS restricts the purchase of non-domestic materials and products.

A wide range of materials and products are funded by the five telecommunications programs of the RUS. Broadly, funded purchases would include electronic telecommunications hardware, copper and glass fiber cabling, and electrical and electronic support equipment. Supporting and protective structures, including office headquarters are also funded.

Examples of electronics products funded by RUS programs include telephone exchange equipment, telephone line multiplexers and extenders, and protective systems. Similarly, broadband fiber-optic systems would include digital transport equipment, transceivers, multiplexers, line and network terminals, and passive optical build-out hardware. Both copper and fiber network projects may require buried, surface-mounted or pole-mounted protection enclosures and structures. Poles and pole hardware may be required for new aerial construction. Quantities of single- and multi-conductor copper and single- and multi-fiber cable in are generally required. Terminating and protective equipment at each premises is required under RUS technical guidelines. Buildings and shelters constructed to house telecommunications equipment require standard domestically sourced construction materials. Supporting infrastructure might include emergency power generation capacity for an exchange or distribution point. Building construction materials must also conform to the Buy American requirement. All materials and products are covered under 7 CFR 1787.

The Distance Learning and Telemedicine Program funds education-related telecommunications equipment and software. Learning platforms, including video equipment and computer networking components, telecommunications terminal equipment, interactive video systems and third party-developed educational software may be funded. For telemedicine applications, equipment intended for the sole purpose of remote medical diagnosis and treatment can receive federal support. Instruction for using the eligible hardware and software is also supported. (See 7 CFR 1734.21.)

|  |  |  |
| --- | --- | --- |
| RUS Program | Number of Entities | Fundingfor 2021 |
| Rural eConnectivity Program (ALN 10.752) | 24  | $215M |
| Telecommunications Infrastructure Loan Program (ALN 10.851) | 4 | $71M |
| Distance Learning and Telemedicine Program (ALN 10.855) | 194 | $92M |
| Community Connect Grant Program (ALN 10.863) | 24 | $49M |
| Rural Broadband Loans, Loan/Grant Combinations, and Loan Guarantees (ALN 10.886) | 0 | $0 |